

### **Quartile Calculation:**

Contribution Rates will vary based on your hourly salary. During the first pay period of the fiscal year, the Department of Human Resources will determine four salary bands using salaries laid out in statute, referred to as Quartiles. In FY23, we estimate that the members earning less than \$84.43/hour will be in the lowest quartile and members earning more than \$84.44/hour will be in the highest three quartiles (**preliminary estimate, subject to change**).

- Each year beginning FY23, the Department of Human Resources will calculate four salary bands called quartiles based on employee hourly rates of pay in effect as of the first full pay period in that fiscal year. To determine the quartiles, the distribution of all employees' hourly rates of pay are divided into four equal parts, or quarters. These quartiles are set until the next fiscal year.
- Each employee's pay will fit into one of the four quartiles.
- The quartile determines the retirement percentage charged to the employee.
- The retirement contribution associated with:
  - the first (lowest quartile) will remain at the current 6.65% for the next 5 years beginning in FY23.
  - the 2<sup>nd</sup> quartile will be increased for 3 years beginning FY23, by .5% each year.
  - the 3<sup>rd</sup> quartile will be increased for 4 years beginning FY23, by .5% each year.
  - the 4<sup>th</sup> (highest) quartile will be increased for 5 years beginning FY23, by .5% each year.